

# FISCAL NOTE

**Bill #:** HB0460

**Title:** Pilot projects for private highway maintenance

**Primary Sponsor:** Shiell Anderson

**Status:** As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	\$27,500	\$27,500
<b>Revenue:</b>	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

1. The act assumes that the same quality and level of service can be performed by the private sector for no more or less than the amounts currently budgeted less department contract administration costs and other fixed contract obligations such as lighting districts, signal systems, roadway information systems, city maintenance, etc.
2. The bill requires the advisory panel to submit a pilot project plan to the department no later than September 1, 1999. The department assumes that the a plan can be completed, a contract written, bids reviewed and awarded, and provide time for a smooth transition would be July 1, 2000.
3. There would no longer be separate competitive bidding for thin lift overlays, chip seal projects, crack sealing, or for sand or aggregate production through the department for the privatized district during the course of the pilot project.

(continued)

4. The full fiscal impact of the act is not known. There will be payouts for rified employees. The department will have to negotiate affects of privatization with the appropriate unions. These costs may include retraining and/or relocation costs. Current employees would not be guaranteed employment with the contractor or finding employment within the communities where they live, resulting in the potential need for other social services including unemployment benefits.
5. Direct costs associated with this project are as follows: 1.00 FTE administrative assistant to establish and administer the pilot project as required in the legislation (\$25,000). Per diem for committee members for meals, overnight travel or miscellaneous expenses the committee might encounter (per diem for 3 members for 2 nights each month = 2,500).

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
FTE	1.00	1.00
<u>Expenditures:</u>		
Personal Services	\$25,000	\$25,000
Operating Expenses	<u>\$2,500</u>	<u>\$2,500</u>
TOTAL	\$27,500	\$27,500
<u>Funding:</u>		
State Special Revenue (02)	\$27,500	\$27,500
<u>Revenues:</u>	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	(\$27,500)	(\$27,500)

LONG-RANGE IMPACTS:

Not fully known.